

10th AMENDMENT TASK FORCE

Federalism: The Founders' Formula for Freedom



A project of the Republican Study Committee ([RSC](#))

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

Amendment X to the United States Constitution

TASK FORCE BILL OF THE WEEK: H.R. 3994, the Grant Return for Deficit Reduction Act

In Fiscal Year 2011, the federal government sent states and localities \$542 billion through approximately 1,000 different federal grant programs. States and localities returned close to \$3.7 billion in unspent awarded grants back to the federal government. This unspent grant money is typically returned back to the federal granting agency for redistribution of the originally awarded grants. One recent example where states returned unspent federal grant dollars includes Governors Sam Brownback (KS), Mary Fallin (OK), and Scott Walker (WI) rejecting \$31.5 million, \$54 million, and \$37 million respectively in Obamacare Early Innovator Grant funds awarded through the Department of Health and Human Services (HHS). A condition of accepting the funds required these states to implement technologies in line with federal Obamacare standards subjecting these states to periodic review by HHS. Rather than endure the Obama Administration's micromanagement of federal health care policies, the states returned these grant funds and all the regulatory strings attached back to HHS.

Representative Mike Pompeo (KS) believes states and localities should be able to return unspent federal tax dollars back to the United States Treasury for the sole purpose of deficit reduction. As such, he introduced ***H.R. 3994, the Grant Return for Deficit Reduction Act***. The bill would provide grant recipients the ability to dedicate their unspent grant money towards reducing the nearly \$16 trillion of national debt. It requires state and local grant recipients to notify the U.S. Treasury of any returned grant monies, and for the Treasury to report these returned funds to Congress each year. ***H.R. 3994*** allows states and localities to partner with the federal government in reducing our enormous national debt while preventing federal agencies from redistributing returned funds for other purposes.

For more information on the bill or to cosponsor H.R. 3994, please contact [Keith Dater](#) at 6-4533 with Rep. Pompeo (R-KS).